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The U.S. Department of Agriculture's

FOOD STAMP PROGRAM

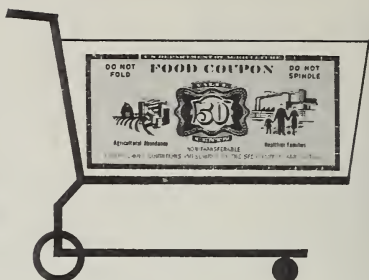
a method for sharing our
agricultural abundance



PA-645

U.S. DEPARTMENT OF AGRICULTURE
CONSUMER AND MARKETING SERVICE
WASHINGTON, D.C.

THE FOOD STAMP PROGRAM



America's farmers—using highly efficient techniques—grow plenty of food for all Americans to be well-nourished. Yet, some Americans have poor diets because of low income. This situation prompted the Federal Government to explore means of reaching two important national objectives:

1—Safeguarding the health of the Nation's low-income families through better nutrition.

2—Increasing the flow of foods from the Nation's farms through normal trade channels.

The Food Stamp Program is an effective way to reach these goals. The United States Department of Agriculture tried out the program in 43 areas of the United States, starting in May 1961. The tests showed:

- **Farmers benefit** from the expanded markets created by the Food Stamp Program. In one test area, returns to farmers from food bought by low-income families rose from \$1.75 per person before the Food Stamp Program to \$2.01 after the program went into effect.

- **Low-income families** using the food stamp coupons are eating much more and better foods, with more than 80 percent of the increase in livestock products, fruits and vegetables. Now, their diets are much more nutritious than before.

- **Local businesses** and the whole community benefit. In pilot food stamp areas, sales in retail food stores increased 8 percent. This helped all the economy of these areas.

In August 1964, Congress authorized gradual expansion of the Food Stamp Program to other parts of the Nation that want and need it.



HOW IT OPERATES

The Food Stamp Program operates through normal channels of trade.

Families exchange the amount of money they could normally be expected to spend for food for coupons worth more. The U.S. Government pays for the difference between the amount each family pays and the total value of the coupons it gets.

Families use the coupons to buy food in retail stores at existing prices. Except for certain imported items, the coupons may be used to buy any food. The USDA's Consumer and Marketing Service authorizes retailers to accept coupons, and retailers agree to abide by rules for accepting and redeeming the coupons. They redeem the coupons through banks or through authorized food wholesalers. Local banks, in turn, send the coupons to Federal Reserve banks.



WHO IS ELIGIBLE

Food coupons are issued to families determined by public welfare agencies to be in economic need of food assistance. Families receiving some type of public or general assistance under a State's welfare program are considered to be in economic need. Other families may also receive food coupons provided their family income does not exceed stated amounts. The income requirements are worked out by USDA with the State and must be in line with the standards used by the State to determine eligibility for its welfare programs. Where operating, the Food Stamp Program is available to all persons in economic need regardless of race, creed, or national origin.

GRADUAL EXPANSION

The Food Stamp Act of 1964 allows for gradual expansion of the program over a period of years into areas of the country choosing to participate. Federally donated foods continue to be available for distribution to needy families by cities or counties requesting them, until they participate in the Food Stamp Program.

The State agency responsible for the federally-aided public assistance program is responsible for the operation of the Food Stamp Program within the various States. This State welfare agency also tells the USDA's Consumer and Marketing Service where in the State it wants to operate the program. Therefore, local government and other agencies seeking more information about the Food Stamp Program should contact their State welfare agency.

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